

and all that money, and you know where their friends are. You know who their defenders are.

(Mr. JOHNSON assumed the Chair.)

Mr. SARBANES. Will the Senator yield for a question on that chart momentarily?

Mr. DASCHLE. I am happy to yield.

Mr. SARBANES. If I understand this chart, if you are in the top 1 percent of the wealthiest Americans, under the President's proposal you would receive a tax cut that would equal the income—not the tax cut—of approximately six earners in the lowest 20 percent of the income scale. In other words, the people in that income scale have an average income of about \$9,000 a year, as I understand the chart. They would get a tax cut of \$66 a year. They get \$9,000 in total income, while the upper 1 percent will get a tax cut just shy of \$54,000. The tax cut alone is equal to the earnings of six people in the bottom 20 percent of the income scale.

Is that correct?

Mr. DASCHLE. The chairman of the Banking Committee has put his finger on exactly what it is we are trying to focus on here—the disparity and the extraordinary maldistribution this tax cut represents. There is an unbelievable disconnect here between those at the lowest end who have already seen cuts in education and health care, declines in their retirement accounts, and who are probably in many cases working three or four minimum wage jobs, attempting to make a living. They get a \$66 tax cut. Those making an average of \$1.1 million a year get a tax cut of more than \$53,000. In fact, some in this category make more than \$700 million a year and who knows the size of the tax cut these people would get?

The sad thing is—and the Senator from Maryland makes such a good point—that those people who have virtually no tax cut available to them are the very ones who have seen their purchasing power decline.

Since 1997, we have seen the real earnings of full-time minimum wage workers, over half of whom are women and heads of households, decline from \$11,560 to \$10,300. But can we get a minimum wage vote on this floor? Can we get the kind of support on a bipartisan basis required to deal with this situation? No. We can get the support for that \$53,000 tax cut for the top 1 percent. But I can't find the Republican support nor the administration support and leadership required to deal with this extraordinary and sad consequence of the government's inaction on the minimum wage.

Mr. CORZINE. Mr. President, will the leader yield for a question?

Mr. DASCHLE. I would be happy to yield to the Senator from New Jersey.

Mr. CORZINE. Did I hear the leader suggest that we are talking about taking \$2 trillion out of the Social Security trust fund to fund the other things that are going on with regard to eco-

nomic policy? If I am not mistaken, I think I saw a chart that projected \$2 trillion and how we would utilize the Social Security trust fund. I think those are payroll taxes from working Americans from all walks of life.

Then, if I am not mistaken, as I looked at your chart where the tax cuts are actually going, it would appear to me that we are using the Social Security trust fund to fund tax cuts for those at the very high end of the marginal tax brackets.

Is my analysis from looking at your charts correct? Does the leader have a comment on that?

Mr. DASCHLE. The distinguished Senator from New Jersey makes a very good point. Probably no one can make that point with greater credibility than can he.

Let me just simply compare this chart. You have seen an increase in the draw down of the Social Security trust fund. We have actually spent \$2 trillion of Social Security. We put those resources into this tax cut, providing \$53,000 per year to the top 1 percent of income earners in this country. You have seen an income transfer from those paying payroll taxes—largely at the lower end of the income scale—to those at the upper end of the income scale. This represents an income transfer in the opposite direction from poor working people to those at the very top.

Mr. CORZINE. If the leader will bear with me a second, if we look at the table he has with regard to the second level, it looks as though some of the individuals who will benefit the most from this tax cut—it is almost inconceivable that we are using payroll taxes for men and women at WorldCom and Enron. It is just hard to believe.

Mr. DASCHLE. I know the Senator from New Jersey remembers this. But I recall the House passed their economic stimulus package, and part of that package included a \$254 million retroactive tax cut for Enron. The administration saw no problem with that. Our Republican friends were anxious to vote for it. In fact, when we stopped it, we were called obstructionists. But that was the kind of obstructionism that stopped Enron from getting \$254 million from their taxes.

To summarize, what ought to be going up is coming down and what ought to be going down is coming up. What ought to go down is the raid on the Social Security trust fund. It is going up. What ought to go down are interest costs, but they are going up. What ought to go down is the national debt, but it is going up. What ought to go down are foreclosures, health care costs, and job losses, but they are going up. What ought to go up—economic growth—is going down. What ought to go up is business investment, the market, retirement accounts, consumer confidence, and the minimum wage. They ought to go up. But in these last 18 months, every single one of these factors has gone down.

This will be the subject of a lot more discussion, debate, and hopefully illumination over the course of the next several weeks and months. But we have to change these arrows. We have to ensure that economic growth goes up. We have to ensure that the stock market, retirement accounts, pension funds, consumer confidence, and the minimum wage go up. We have to do what we did in the 1990s—have an economic performance that gives people the sense that they can live in dignity and in confidence, knowing their retirement accounts and Social Security checks are going to be there.

We have to end the job loss, deal with health care costs, and make sure we reduce the raid on the Social Security trust fund.

I hope Republicans and Democrats can do for economic security what we are attempting now to for our national security—recognizing that this won't change unless we do it together, and recognizing that while this national security issue dealing with Iraq may be accomplished with one resolution, it is going to take a lot more than one resolution to turn our economy around. It is going to take the same kind of discipline we demonstrated in the 1990s. It is going to take the same kind of commitment on a bipartisan basis for these issues to be addressed, and a lot more consequential.

As busy as we are and as important as the effort on Iraq is, I hope this administration will dedicate some of its time this week to economic security as well, to these declining numbers, to this atrocious record, to a recognition that it takes leadership not only with regard to international and foreign policy but leadership here at home and economic policy as well. We haven't seen it to date, and the time has come for leadership on this as well.

I yield the floor.

EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that the time the majority used in excess of our half hour be extended to the minority for morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.
The Senator from Maryland.

UNEMPLOYMENT BENEFIT INSURANCE

Mr. SARBANES. Mr. President, I thank the distinguished majority leader for his excellent presentation with respect to the state of our economy. He has described in very straightforward terms the serious economic problems we confront: weak economic growth, rising job losses, declining business investment, a falling stock market, eroding consumer confidence, and a deteriorating Federal Government fiscal position.